



CAFTA FACTS
CAFTA Will Harm Central American Farmers
And Displace Families, Just Like NAFTA

Prepared by the Office of Congressman Sherrod Brown

Since the North American Free Trade Agreement (NAFTA) was passed, one and a half million Mexican farmers have been displaced, their livelihoods destroyed by cheap corn imported from the United States. Meanwhile, workers in Mexico's maquiladoras continue to earn just a few dollars a day.

Now the same supporters of NAFTA are feigning concern over workers when it comes to textiles and China in the Central American Free Trade Agreement (CAFTA). But they are wearing blinders when it comes to rice. There are an estimated 80,000 rice producers in CAFTA nations and the Dominican Republic, and 1.5 million people depend on rice production.

While Central American countries will be forced to eliminate import tariffs on rice, the United States will continue to maintain generous subsidies for domestic rice producers. The U.S. produces \$850 million in rice each year, but subsidizes the industry to the tune of \$1.3 billion-\$450 million over the market price.

These artificial supports lead to dumping on the international market, distorting trade. The \$1.3 billion in support to US rice producers in 2003 eclipsed Nicaragua's entire federal budget of \$900 million for 2004. Huge agri-business reaps the profits, as 20 percent of US rice producers receive 85 percent of price support revenues.

Central American rice producers face an uncertain and bleak future with an imminent flood of unfair imports.

But Central American farmers have little to fear, CAFTA advocates assert. During one briefing, it was suggested these once-rice producing workers could make an easy transition to shrimping. Never mind the devastation of communities, relocation, and the hardships endured by families as their farms, homes, and livelihoods are destroyed.

Never mind history has already taught us differently with NAFTA and the devastation of Mexican farmers.

The CAFTA model is a recipe for disaster. Congress must devise a trade agreement to promote business development and jobs in the U.S. as well as economic advancement overseas. CAFTA should help Central American workers earn enough to buy American-made products.

It's time to rethink U.S. trade policy and do what's right, not just for multinational corporations, but what's right for workers, small businesses, communities, families, and the environment.

The president is on the wrong track. Congress must demand a smarter trade deal than CAFTA.